

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 137 – SB 429

March 22, 2017

SUMMARY OF ORIGINAL BILL: Deletes the *Nina Norman Prescription Drug Donation Act of 2006*. Establishes a voluntary prescription drug donation repository program in which any person can donate prescription drugs and supplies for use by an individual who meets eligibility criteria specified by the Board of Pharmacy (Board). Authorizes the Board to contract with a third party to implement and administer the program. Authorizes a medical facility or pharmacy to charge an individual a handling fee not to exceed an amount established by the Department of Health (DOH). Requires the Board to adopt rules establishing requirements, standards, and procedures for accepting and dispensing donated prescription drugs. Requires the Board to establish eligibility criteria that will prioritize dispensing to indigent and uninsured individuals. Effective date is January 1, 2017.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$4,300/One-Time
\$367,200/Recurring

IMPACT TO COMMERCE OF ORIGINAL BILL:

Increase Business Revenue - \$300,000/Recurring

Increase Business Expenditures – Less than \$300,000/Recurring

SUMMARY OF AMENDMENT (005544): Deletes all language after the enacting clause. Establishes a voluntary prescription drug donation repository program in which any person can donate prescription drugs and supplies for use by an individual who meets eligibility criteria specified by the DOH. Authorizes a medical facility or pharmacy to charge an individual a handling fee not to exceed an amount established by the DOH. Requires the DOH to adopt rules establishing requirements, standards, and procedures for accepting and dispensing donated prescription drugs. Requires the Board to establish eligibility criteria that will prioritize dispensing to indigent and uninsured individuals. Effective date is January 1, 2018.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Based on information provided by the DOH, the proposed legislation can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The Board of Pharmacy can consult with the DOH for the promulgation of rules within existing resources.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had an annual surplus of \$284,085 in FY14-15, an annual surplus of \$885,058 in FY15-16, and a cumulative reserve balance of \$2,236,772 on June 30, 2016.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed legislation is meant to provide donated prescription drugs and supplies to individuals who are indigent or uninsured.
- It is assumed that indigent or uninsured individuals currently work with patient assistance programs administered by pharmaceutical companies to realize prescription savings or go without their medications; therefore, it is estimated pharmaceutical companies will not experience a significant decrease in revenue or increase in expenditures.
- The impact on jobs in Tennessee is estimated to be not significant because staff at the qualifying medical facilities will handle the drug donations.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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